

**COMMONWEALTH OF KENTUCKY
ENVIRONMENTAL AND PUBLIC PROTECTION CABINET
OFFICE OF FINANCIAL INSTITUTIONS
DIVISION OF SECURITIES
AGENCY CASE NO. 2008-AH- 010**

COMMONWEALTH OF KENTUCKY, EX. RE. THE
EXECUTIVE DIRECTOR OF THE
OFFICE OF FINANCIAL INSTITUTIONS

PETITIONER

V.

PAUL KELLOGG and
PAUL KELLOGG & ASSOCIATES, INC.

RESPONDENTS

Serve:

Paul W. Kellogg, Individually,
And as Process Agent for
Paul Kellogg & Associates, Inc.,
408 Talbott Drive
Wilmore, KY. 40390

* * * * *

ORDER TO CEASE AND DESIST

* * * * *

The Commonwealth of Kentucky, by and through the Executive Director of the Office of Financial Institutions, hereby enters this Order directing Respondents, Paul Kellogg and Paul Kellogg & Associates, Inc., to immediately Cease And Desist from violating the provisions of the Kentucky Securities Act. The basis for this Order is as follows:

Basis of Order

1. The Office of Financial Institutions ("OFI") is the agency of Kentucky state government charged with enforcement of the provisions of KRS Chapter 292

(the Kentucky “Securities Act”) and the rules and regulations enacted thereunder. This Order is entered in the interest of the investing public.

2. Paul W. Kellogg is an individual residing and doing business in the Commonwealth of Kentucky. Respondent Kellogg is the sole officer of Paul Kellogg & Associates, Inc., a Kentucky corporation.
3. In recent promotional and biographical materials distributed to the investing public, Kellogg has listed his business address as Paul Kellogg & Associates, Inc., 2333 Alexandria Drive, Lexington, Kentucky 40504.
4. Paul Kellogg is the Registered Agent with the Kentucky Secretary of State for Service of Process on Respondent, Paul Kellogg & Associates, Inc. The address of the Principal Office and the Registered Address for Service of Process provided to and of record with the Secretary of States Office for Respondent is: 408 Talbott Drive, Wilmore, Kentucky 40390.
5. Respondent, Paul Kellogg & Associates, Inc., is not now and has never been registered with the Kentucky Office of Financial Institutions, Division of Securities (the “Division”), as an Investment Adviser or as an Investment Adviser Representative pursuant to the Securities Act.
6. Respondent, Paul Kellogg, is not now and has never been, registered with the Division as an Investment Adviser or as an Investment Adviser Representative pursuant to the Securities Act.
7. Respondent, Paul Kellogg, is also not and has never been registered as an agent with any broker/dealer pursuant to the Securities Act.

8. On or about October 30, 2007, in response to a printed invitation (the “invitation”) received through the United States mail, Ronda Paul, a certified examiner from the Division attended a lunchtime seminar presented by Respondent Kellogg at the Chophouse in Lexington, Kentucky.
9. The invitation requested that invitees “join us for a **FREE GOURMET MEAL** immediately following our **Retirement Planning Workshop**.” The invitation also stated that invitees would learn how to protect their assets, reduce tax on their Individual Retirement Accounts (“IRAs”), and learn how to trade stocks and mutual funds without commissions. A copy of the invitation is attached as Exhibit A.
10. At the “Retirement Planning Workshop,” Respondent, Paul Kellogg, offered invitees investment, financial and estate planning advice, compared recognized financial instruments such as mutual funds to indexed annuities and encouraged invitees to: move their Keogh, IRA and other retirement monies and investments to his company; convert those investments into Fixed Indexed Annuities sold by his company; and bring their most recent brokerage account statements to their meetings with him. Respondent, Paul Kellogg, also offered to prepare investment plans for a flat fee of \$500 per investor
11. Following the October 30, 2007 “Retirement Planning Workshop,” the Division opened an investigation of Respondents activities and requested a meeting with Mr. Kellogg, which took place on November 27, 2007.
12. On the basis of the written materials disseminated by Respondents, the representations made by Respondents at the workshop, the statements made

by Mr. Kellogg to the Division on November 27, 2007 and other information furnished by Mr. Kellogg either at or subsequent to the meeting on November 27, 2007, the Division, through certified examiner John Cullen, advised Respondent first orally and later in writing that he was in violation of the Securities Act by acting as an Investment Adviser. In its letter dated December 17, 2007 and delivered by certified mail, the Division further advised Respondent “[a]s we discussed, you must discontinue holding seminars and providing materials in which you are offering investment advice until you become properly registered [as an investment adviser].” A copy of the Division’s letter is attached as Exhibit B.

13. Subsequent to the November 27, 2007 meeting, Mr. Kellogg informed the Division that he intended to take the Series #65 Uniform Investment Advisor Law Examination in order to become eligible to register as an Investment Adviser and to legally engage in the investment advisory business.
14. On January 24, 2008, Mr. Kellogg telephoned the Division to inform it that he had passed the Series #65 Examination and was going to be registered with Redhawk Investment Advisors, an investment adviser registered with the State of Minnesota.
15. As of the date of entry of this Cease And Desist Order, Respondents have not affiliated with Redhawk Investment Advisors.
16. As of the date of entry of this Cease And Desist Order, Respondents have not filed any application with the Division for registration as an Investment Adviser or Investment Adviser Representative.

17. In early February, 2008, Ronda Paul, a certified examiner with the Division received through the United States mail another printed invitation for yet another “free gourmet meal and workshop” from Respondents to discuss retirement and financial planning. The free lunches were scheduled for February 12, 13 and 26, 2008 at the Bella Notte restaurant in Lexington, Kentucky. A copy of this invitation is attached as Exhibit C.
18. The following statement appears at the bottom of the invitation (Exhibit C):
“Securities and Investment Advisory Services offered through NFP Securities, Inc., a Broker/Dealer, Member NASD/SIPC, and a Federally Registered Investment Advisor. Paul Kellogg & Associates, Inc. is an affiliate of NFP Securities, Inc. and a subsidiary of National Financial Partners Corp., the parent company of NFP Securities, Inc. Neither NFP Securities, Inc. nor Paul Kellogg & Associates, Inc. are affiliated with Journeymasters.”
19. NFP Securities, Inc. (“NFP”) has informed the Division, in writing, that neither Respondent is registered as an Investment Adviser Representative with NFP or otherwise associated with NFP. A copy of this letter is attached as Exhibit D.
20. Pursuant to KRS 292.330(1), it is unlawful for any person to transact business in Kentucky as an investment adviser unless that person is so registered under the Securities Act.
21. Pursuant to KRS 292.320(1), it is unlawful for any person, in connection with the offer, sale or purchase of any security, directly or indirectly, to employ any device, scheme, or artifice to defraud or to make any untrue statement of a

material fact necessary in order to make the statements made, in the light of the circumstances under which they are made, not misleading, or to engage in any act, practice, or course of business which operates or would operate as a fraud or deceit upon any person.

22. Pursuant to KRS 292.320(2), it is unlawful for any person who receives any consideration from another person primarily for advising the other person as to the value of securities or their purchase or sale, whether through the issuance of analysis reports or otherwise, to employ any device, scheme, or artifice to defraud or to make any untrue statement of a material fact necessary in order to make the statements made, in the light of the circumstances under which they are made, not misleading, or to engage in any act, practice, or course of business which operates or would operate as a fraud or deceit upon the other person.
23. Pursuant to 808 KAR 10:040 Section 4(4)(a), it is a dishonest and unethical practice under the Securities Act for an investment adviser or investment adviser representative to misrepresent or omit to state to a customer, or prospective customer, a material fact with respect to the qualifications of the investment adviser or a representative of the investment adviser.
24. Pursuant to KRS 292.470(1), whenever it appears to the Executive Director that any person has engaged or is about to engage in any act or practice constituting a violation of any provision of the Securities Act or any rule or order thereunder, the Executive Director may issue a cease and desist order, with or without a prior hearing, appealable to the Franklin Circuit Court,

against the person or persons engaged in the prohibited activities directing that person or persons to cease and desist from illegal activity. In order to issue an order without a prior hearing, the Executive Director must find that the delay in issuing a final cease and desist order will cause harm to the public.

25. Pursuant to KRS 292.470(3), the Executive Director may issue a final order, after notice and opportunity for hearing, directing any person or persons found to have engaged in, or about to be engaged in, activity that constitutes a violation of the Securities Act or any rule or order thereunder to cease and desist from the activity, to perform any other reasonable mandates directed by the Executive Director and reasonably calculated to carry out the provisions of the Securities Act, and/or pay fines assessed under KRS 292.500(14).
26. Pursuant to KRS 292.500(17), the remedies provided by KRS 292.520 are not exclusive and may be sought and employed in any combination to enforce the provisions of the Securities Act.
27. On the basis of the foregoing, it appears that the Respondents, Paul W. Kellogg and Paul Kellogg & Associates, Inc., has engaged, in engaging and is about to engage in any acts or practices in violation of KRS 292.320, KRS 292.330, 808 KAR 10:040 Section 4(4)(a), and the previous orders and directions of the Division by continuing to offer investment advice to the investing public without being properly registered with the Division and by materially misrepresenting their qualifications and affiliations to the investing public.

28. In light of the seriousness of the conduct alleged above and the fact that the Respondents propose to hold the first of a series of free lunch seminars on Tuesday, February 12, 2008, the Executive Director further finds that the issuance of this Order without prior hearing is in the public interest and that a delay in issuing a final cease and desist order will cause harm to the public.

ORDER

Accordingly, the Respondents, Paul W. Kellogg and Paul Kellogg & Associates, Inc., and every successor, affiliate, control person, agent, servant, and employee of each of them, are hereby ORDERED to immediately CEASE AND DESIST from engaging in any conduct or activity in violation of the Securities Act as set forth above. Specifically, Respondents shall immediately cease to advertise, hold themselves out as or represent themselves to the investing public as having any affiliation with NFP Securities, Inc. or National Financial Partners Corp. Respondents shall not advertise, hold themselves out as or represent themselves to the investing public as having any affiliation with Redhawk Investment Advisors or with any other registered Investment Adviser unless Respondents actually are so affiliated. Respondents shall not advertise, hold themselves out as or represent themselves to the investing public as being a registered Investment Adviser representative in Kentucky unless and until they actually are so registered. Respondents shall cease engaging in any conduct or activity which constitutes engagement in the investment advisory business until and unless they are licensed to engage in that business. Respondents shall hold no more so-called free lunch or dinner seminars in which they offer

investment advice or solicit investment advisory clients and unless they are licensed to engage in that business.

The Respondents SHALL request a hearing in this matter, in writing, if they desire one, within twenty ("20") days of the entry date of this ORDER. If the Respondents timely request a hearing in this matter, they shall be afforded a hearing in accordance with KRS Chapter 13B.

If the Respondents fail to timely request in writing a hearing in this matter, their right to a hearing shall be waived. Furthermore, if the Respondents fail to file a response to this Order or attend a duly scheduled hearing in this matter after having received notice thereof, the allegations contained in this Order shall be deemed true without further proof. The Respondents shall then be deemed in default and the proceedings may be determined against them upon consideration of this Order. Upon default, a final order shall be entered which may include the imposition of a fine, costs and all other appropriate relief.

Entered this 8th day of February, 2008.



CORDELL G. LAWRENCE
Executive Director
Office of Financial Institutions
1025 Capital Center Drive
Suite 200
Frankfort, KY 40601
(502) 573-3390

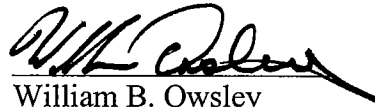
Certificate of Service

I, William Owsley, Counsel for the Office of Financial Institutions, certify that a copy of the foregoing Order of the Executive Director was sent by certified mail, return receipt requested, to the following on this 11th day of February, 2008.

A copy of this Order is also being hand delivered to Respondents at the seminar on February 12, 2008.

Paul W. Kellogg, Individually,
And as Process Agent for
Paul Kellogg & Associates, Inc.,
408 Talbott Drive
Wilmore, KY 40390

Paul Kellogg
Paul Kellogg & Associates, Inc.
2333 Alexandria Drive
Lexington, KY 40504



William B. Owsley
Counsel for Petitioner
Office of Financial Institutions
1025 Capital Center Drive,
Suite 200
Frankfort, KY 40601
Telephone (502) 573-3390
Facsimile (502) 573-2183

EXHIBITS

- Exhibit A: Retirement Workshop/Free Gourmet Meal at The Chop House Invitation to Ronda Paul
- Exhibit B: Letter dated December 17, 2007 to Paul Kellogg from John F. Cullen, Financial Institutions Examiner and certified mail receipt
- Exhibit C: Free Gourmet Dining at Bella Notte restaurant Invitation to Ronda Paul
- Exhibit D: Letter dated February 8, 2008 from David Horn, Assistant Vice President and Counsel, NFP Securities, Inc.

Exhibit A

You are cordially invited to join us for a **FREE GOURMET MEAL**
immediately following our **Retirement Planning Workshop.**

It will be held at:

The Chophouse
2640 Richmond Rd. Lexington, KY 40509
Tuesday, October 30th at 10:00 AM
or Tuesday, November 6th at 10:00 AM

FREE ADMISSION & FREE MEAL!

You will learn how to protect your assets without purchasing
Long Term Care insurance and reduce tax on your IRAs. You will
also learn how to trade stocks and mutual funds without commissions.

Presented by Paul Kellogg of Paul Kellogg & Associates, Inc.
This is an educational workshop with no attempt to sell specific
products and there is no cost or obligation.

Your time will be well spent.

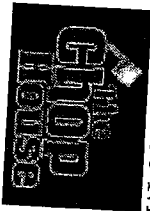
Please RSVP to: 1-800-451-5310

Call Now! Seating is limited!

SPOUSES URGED TO ATTEND!

2333 Alexander Drive
Lexington, KY 40390

Free Gourmet Meal at:



**PRESORTED
FIRST-CLASS MAIL
U.S. POSTAGE PAID
FAIRFIELD, IA
PERMIT NO.203**

**Ronda Paul
136 Preston Ave
Lexington KY 40502-1505**

403 NEE 1 7071 00 10/19/07
NOTIFY SENDER OF NEW ADDRESS
PAUL, RONDA S
1453 MEADOWTHORPE AVE
LEXINGTON KY 40511-2065

40511205532

*2770-02574-19-16

[Illegible text]


**TAKE CC
OF YOUR !**


Exhibit B



STEVEN L. BESHEAR
GOVERNOR

ROBERT D. VANCE
SECRETARY

ENVIRONMENTAL AND PUBLIC PROTECTION CABINET

DEPARTMENT OF PUBLIC PROTECTION
OFFICE OF FINANCIAL INSTITUTIONS

1025 CAPITAL CENTER DRIVE, SUITE 200

FRANKFORT, KENTUCKY 40601

TELEPHONE: (502) 573-3390

FAX: (502) 573-8787

WEB SITE: WWW.KENTUCKY.GOV

December 17, 2007

Paul Kellogg
Paul Kellogg & Associates, Inc.
2333 Alexandria Drive
Lexington, Kentucky 40504

Dear Mr. Kellogg:

This letter is a follow-up to your written response and our subsequent telephone conversation of December 5, 2007. Based on the information you are providing in your presentations and marketing materials, the Division of Securities believes you are acting as an Investment Adviser as that term is defined under KRS 292.310(10). As we discussed, you must discontinue holding seminars and providing materials in which you are offering investment advice until you become properly registered. Please send me a written statement setting forth your intentions to become compliant.

In addition, the Division would like to get information relating to any transactions in which you recommended a client sell a security as that term is defined in KRS 292.310(18). Please provide the name, address, date, amount, security sold, and product purchased with the proceeds. If you provided any written financial plans to clients that included recommendations on the sales or purchases of a security, please provide copies of the plans and the amount charged the client for preparation of the plan. Please provide your complete response by January 7, 2008. If you have any questions, please contact me.

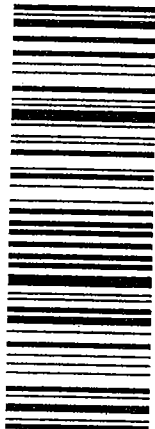
Sincerely,

John F. Cullen
Financial Institutions Examiner



PLACE STICKER AT TOP OF ENVELOPE TO THE RIGHT
OF THE RETURN ADDRESS. FOLD AT DOTTED LINE

CERTIFIED MAIL™



7003 1680 0000 6874 9463
7003 1680 0000 6874 9463

U.S. Postal Service™
CERTIFIED MAIL™ RECEIPT
(Domestic Mail Only; No Insurance Coverage Provided)

For delivery information visit our website at www.usps.com

OFFICIAL USE

Postage	\$
Certified Fee	
Return Receipt Fee (Endorsement Required)	
Restricted Delivery Fee (Endorsement Required)	
Total Postage & Fees	\$

Postmark
Here

Sent To Paul Kellogg
 Street, Apt. No.,
 or PO Box No 2333 Alexandria Drive
 City, State, ZIP+4 Lexington Ky 40504

PS Form 3800, June 2002

See Reverse for Instructions

COMPLETE THIS SECTION ON DELIVERY

A. Signature ☒ Agent
☒ Addressee
 B. Received by (Printed Name) C. Date of Delivery
 D. Is delivery address different from item 1? ☐ Yes
 If YES, enter delivery address below: ☐ No

3. Service Type
☒ Certified Mail
☐ Registered
☐ Insured Mail
☐ Express Mail
☐ Return Receipt for Merchandise
☐ C.O.D.
 4. Restricted Delivery? (Extra Fee) ☐ Yes

SENDER: COMPLETE THIS SECTION

- Complete items 1, 2, and 3. Also complete item 4 if Restricted Delivery is desired.
- Print your name and address on the reverse so that we can return the card to you.
- Attach this card to the back of the mailpiece, or on the front if space permits.

1. Article Addressed to:
Paul Kellogg
2333 Alexandria Drive
Lexington, Ky 40504

2. Article Number
 (Transfer from se) 7003 1680 0000 6874 9463
 Domestic Return Receipt

PS Form 3811, August 2001

102595-02-M-1540

Exhibit C

2508

2333 Alexandria Dr.
Lexington, KY 40504 14

**FREE Gourmet Dining
for you and your guest.**

Every guest
will receive
a long
stemmed
rose.



Ronda Paul
1492 Meadowthorpe Ave
Lexington, KY 40511-2066



PRESORTED
STANDARD MAIL
U.S. POSTAGE PAID
CEDAR RAPIDS, IA
PERMIT NO. 1300

Dear Ronda,

*Join us for a free gourmet meal and workshop to find out
what you can do now to help*

Protect Your Assets and Secure the Retirement You Have Earned.

You are cordially invited to attend a free presentation.
This workshop is by invitation only for you and your spouse or guest.
No products will be sold and your meal and program are absolutely FREE.
These workshops fill very quickly so reserve your seats today!

RSVP Today...Call Toll Free 1-800-451-8239

**"Avoid Costly Mistakes That May Cause Retirees
To Lose Their Financial Independence!"**

It's About Your Retirement...

Let us show you how to:

- Protect yourself from **IDENTITY THEFT**
- Learn how to protect your assets without purchasing Long Term Care insurance.
- Reduce tax on your IRA's.
- Learn how to trade stocks and mutual funds without commissions.
- Create an income you and your spouse may not outlive.

Bella Notte

**bella
n tte**

**3715 Nicholasville Rd.
Lexington, KY 40503**

Tuesday, February 12th at 3:30 PM
Wednesday, February 13th at 10:00 AM
Tuesday, February 26th at 3:30 PM

Presented by Paul Kellogg of Paul Kellogg & Associates, Inc. Mr. Kellogg is one of only 450 people (out of 2 million financial advisors) that are members of "Ed Slott's Elite IRA Advisor Group™" — the unparalleled experts in all issues relating to retirement accounts. This is an educational workshop with no attempt to sell specific products and there is no cost or obligation. It's about **your** retirement.



*These workshops fill very quickly so reserve your
seats today. Reserve now by calling
1 (800) 451-8239*

*Securities and Investment Advisory Services offered through NFP Securities, Inc., a Broker/Dealer, Member NASD/SIPC, and a Federally Registered Investment Advisor. Paul Kellogg & Associates, Inc. is an affiliate of NFP Securities, Inc. and a subsidiary of National Financial Partners Corp., the parent company of NFP Securities, Inc. Neither NFP Securities, Inc. nor Paul Kellogg & Associates, Inc. are affiliated with Journeymasters.

Exhibit D



SECURITIES, INC.

MEMBER NASD / SIPC, A Registered Investment Advisor

1250 Capital of Texas Highway S.
Building 2, Suite 125
Austin, Texas 78746

800.880.0080
512.697.6000
www.nfpsecurities.com

VIA FACSIMILE & EMAIL

February 8, 2008

Mr. William Owsley, Esq.
Office of Financial Institutions
1025 Capital Center Dr., Suite 200
Frankfort, KY 40601

Re: Paul Kellogg, Paul Kellogg & Associates, Inc.

Dear Mr. Owsley:

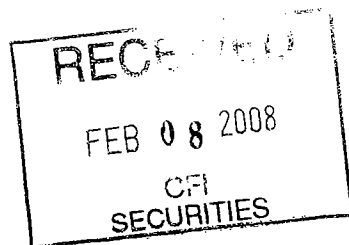
After a review of our records, we do not believe Mr. Kellogg is registered or associated with NFP Securities, Inc.

Please feel free to contact me should you have any questions or need additional information.

Sincerely,

David Horn

Assistant Vice President and Counsel



SECURITIES, INC.
NASD/SIPC/Registered Investment Advisor

www.nfpsecurities.com

1250 Capital of Texas Hwy S #2-125

Austin, TX 78746

Member NASD/SIPC

Phone# (512) 697-6000

(800) 880-0080

FAX# (512) 697-5500

To: Mr. William Owsley, Esq..	Date: February 8, 2008
Company: State of Kentucky	From: David Horn AVP, Counsel
Fax: 502-573-2182	Pgs: 2 (including cover)
Re: Kellogg	

CONFIDENTIALITY NOTICE

THESE DOCUMENTS ACCOMPANYING THIS TELEGRAPHIC TRANSMISSION CONTAIN CONFIDENTIAL AND/OR PRIVILEGED INFORMATION. THE INFORMATION IS INTENDED TO BE ONLY FOR THE USE OF THE RECIPIENT NAMED ON THIS TRANSMISSION SHEET. IF YOU ARE NOT THE INTENDED RECIPIENT, YOU ARE HEREBY NOTIFIED THAT ANY DISSEMINATION, DISTRIBUTION, COPYING OR OTHER USE OF OR RELIANCE UPON THE INFORMATION CONTAINED IN AND TRANSMITTED WITH THIS FACSIMILE IS UNAUTHORIZED AND STRICTLY PROHIBITED. IF YOU HAVE RECEIVED THIS FACSIMILE IN ERROR, PLEASE NOTIFY USE BY TELEPHONE IMMEDIATELY SO THAT WE CAN ARRANGE FOR THE RETRIEVAL OF THE ORIGINAL DOCUMENTS AT NO COST TO YOU.